

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7540
BILL NUMBER: SB 571

DATE PREPARED: Jan 4, 2001
BILL AMENDED:

SUBJECT: Hoosier Farm Heritage License Plate.

FISCAL ANALYST: James Sperlik
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates an Indiana Farm Heritage Trust special group recognition license plate. It provides that an Indiana Farm Heritage Trust special group recognition license plate may be displayed on a passenger motor vehicle, a truck registered as a truck with a declared gross weight of not more than 11,000 pounds, a recreational vehicle, or on a truck with a declared gross weight of at least 11,000 pounds that is used by the owner or guest occupant in connection with agricultural pursuits usual and normal to the user's farm operation. The bill provides that a vehicle bearing a Farm Heritage Trust license plate may be used for any lawful purpose. The bill also specifies the method of distribution for the funds deposited in the Indiana Farm Heritage Trust Fund.

Effective Date: January 1, 2003.

Explanation of State Expenditures: There would be additional expenses for the Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, to make these plates. Their charges would be based on the number of colors in the design as shown in the schedule below:

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate*</u>
1	\$105	\$3.90
2	\$170	\$4.00
3	\$235	\$4.10
4	\$300	\$4.30
5	\$365	\$4.60
6	\$430	\$5.00

*These prices are effective for the 2001-2003 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard

colors. If PEN Products does the artwork, there is a \$45 per hour charge. Origination fees include the film positives and the silk screen charges. When the artwork is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund. There will be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account which supports the BMV.

The Commissioner of the BMV is to administer the newly created Hoosier Farm Heritage Trust Fund. Expenses of administering the Fund shall be paid from money in the Fund. Money in the Hoosier Farm Heritage Trust Fund at the end of a state fiscal year does not revert to the State General Fund.

Explanation of State Revenues: Potential revenue from the sales of the newly created Hoosier Farm Heritage Trust license plate is not known. The bill provides for a \$25 annual fee for the plate. This money would be deposited into the Hoosier Farm Heritage Trust Fund. Based on the 1999 sales of special recognition license plates, revenue resulting from the \$25 annual fee could range from \$925 to \$1,906,600. On June 30 of each year, the Commissioner is to distribute the money in the Fund to the Office of Agricultural Research Programs at Purdue University.

There also is an administrative fee of \$12 for special recognition license plates, of which \$6 is distributed to the Bureau of Motor Vehicles Commission, \$5 is distributed to the Motor Vehicle Highway Account, and \$1 is distributed to the Crossroads 2000 program for highway bonding and construction. Revenue from this fee is not known. However, based on the 1999 sales of special recognition license plates, revenue from the \$12 fee could range from \$444 to \$915,168.

It should be noted that it is possible that sales of this special plate could, to some extent, supplant the sales of the other special plates.

These license plates will be available after December 31, 2002.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate sales data for 1999.